

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

AP Re-organization Act, 2014 – Bifurcation of the State of Andhra Pradesh – Incorporation of a new Corporation under the name and style of **Telangana State Beverages Corporation Limited (TSBCL)** under the Companies Act 2013– Modification orders- issued.

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**REVENUE (EX.II) DEPARTMENT**

**G.O Ms.No.246**

**Dated:29.05.2014.**  
**Read the following:-**

1. G.O.Ms. No.187, Rev( Ex-II)Deptt., Dated: 16.05.2014.
2. From the MD, APBCL., Lr. No. APBCL/Formation of New Company/2014-15/ Dt : 27-05-2014

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**ORDER:**

In the G.O.first read above, Government have accorded sanction to incorporate a **new Corporation** in the name and style of **Telangana Beverages Corporation Limited (TBCL)** under Companies Act 1956 with **Regd. Office** at 2<sup>nd</sup> Floor, Proh. & Excise Complex, 9 & 10 Eastern Block, MJ Road, Nampally, Hyderabad.

2. In the reference 2<sup>nd</sup> read above, the MD., APBCL, has stated that the Corporation has applied for name availability and got confirmation from the Registrar of Companies (ROC) on 19-05-2014 on the availability of name i.e., "Telangana Beverages Corporation Limited". The Corporation filed the prescribed forms for approval of Registrar of Companies (ROC) and while approving the forms it was observed that the Government Company cannot be registered as a private company in view of the new Companies Act, 2013.

3. The Managing Director, Andhra Pradesh Beverages Corporation Limited, Hyderabad has therefore requested that "Telangana Beverages Corporation Limited" may be incorporated as a public limited company instead of Private Limited Company under the Companies Act, 2013, with **3 Directors, 7 subscribers and the paid up capital of Rs. 5.00 lakhs.**

4. Government, after careful consideration, hereby partially modify the orders issued in G.O.Ms.No.187, Rev.(Ex.II) Dept., dt.16.05.2014 and accord sanction to incorporate a **new Corporation** in the name and style of **Telangana State Beverages Corporation Limited (TSBCL), as a Public Limited Company** with Regd. Office at 2<sup>nd</sup> Floor, Proh. & Excise Complex, 9 & 10 Eastern Block, MJ Road, Nampally, Hyderabad under Companies Act 2013.

5. The **Memorandum of Association (MOA) and Articles of Association (AOA)** (Revised as required to a Public Limited Company) of Telangana State Beverages Corporation Limited (TSBCL) are hereby approved and appended to this order.

6. The following shall be the **Board of Directors** to the Telangana State Beverages Corporation Limited (TSBCL) as detailed below:

- 1) Principal Secretary, Revenue (CT&Excise), A.P.**
- 2) Principal Secretary, Revenue (R&E), Finance Department, A.P.**
- 3) The Commissioner of Prohibition and Excise, A.P., Hyderabad .**

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7. The following shall be the subscriber to the MOA of the Corporation on behalf of Governor of Telangana, who will hold 494 shares of the face value of Rs. 1,000/- each of the Corporation:

**Deputy Secretary to Government, Revenue (CT&EX) Department.  
Governor**

**Representative.**

8. The following shall be the other authorised subscribers to the Memorandum of Association (MOA) of the corporation who will hold one share each (value of Rs.1,000/-), of the Corporation:

- 1) Principal Secretary, Revenue (CT&Excise) Department.**
- 2) The Commissioner of Prohibition and Excise, A.P., Hyderabad.**
- 3) The Director Of Enforcement, Excise Department.**
- 4) The Addl. Commissioner, O/o. the CPE, A.P., Hyderabad.**
- 5) Assistant Secretary to Government, Rev(Ex), Govt. of A.P.**
- 6) Section officer, Revenue (Ex-II) Department.**

9. The **authorised share capital** of the Corporation shall be Rs.10.00 lakhs with initial paid up capital of Rs.5.00 lakhs.

10. The Andhra Pradesh Beverages Corporation Limited, is hereby accorded permission to release **Rs.5.00 lakhs** towards the Government's share capital

contribution to the new company as an advance and later those amounts shall be debited to the new company account from the amounts to be distributed between the two corporations.

11. The Commissioner of Prohibition & Excise A.P., Hyderabad / the Managing Director, Andhra Pradesh Beverages Corporation Limited, Hyderabad, shall take further necessary action accordingly in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.P.SINGH  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner of Prohibition & Excise A.P Hyderabad.

The Managing Director, Andhra Pradesh Beverages Corporation Limited,  
Hyderabad

Copy to

The Finance (Expr.Rev) / (BG-V) Department.

The General Administration (SR) Department.

The Industries & Commerce Department.

The Public Enterprise Department

The Law Department

The PS to Special Chief Secretary to Governor.

The PS to Advisor to Governor.

Sf/Sc

//FORWARDED :: BY ORDER//

SECTION OFFICER

**ANNEXURE-I TO G.O.Ms.No.246, Revenue (Ex.II) Department, dt 29.05.2014.**

**UNDER THE COMPANIES ACT, 2013**

**(18 of 2013)**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**TELANGANA STATE BEVERAGES CORPORATION  
LIMITED**

**I. The name of The Company is "TELANGANA STATE BEVERAGES CORPORATION LIMITED".**

**II. The Registered Office of The Company will be situated in the State of Telangana.**

**III. The objects for which the company is established are:**

**A) The main objects to be pursued by the Company on its incorporation:**

- 1) To manufacture, purchase, import, export alcohol and all other beverages suitable for human consumption.
- 2) To undertake bottling/packing of alcohol and other beverages in a suitable manner.
- 3) To carry on business as sellers, dealers and distributors of alcohol and other beverages either in bulk or in retail.
- 4) 4) To undertake the manufacture of all machinery and equipment required to attain any of the above objects.

- 5) To act as stockists, Commission agents, manufacturers, representatives or agents selling and purchasing agents, distributors, brokers, trustees, attorneys in connection with attainment of the main objects of the Corporation.

**B) The objects incidental or ancillary to the attainment of the main objects are:**

- 1) To promote, establish, and operate branches, sales offices, show rooms, depots, and godowns for the business in Indian Made Foreign Spirits and Arrack.
- 2) To carry on the business of manufacturing, buying, stocking, selling and generally deal in glass bottles and metal caps need needed for the business in Indian Made Foreign Spirits and arrack.
- 3) To accept collaboration with Indian or foreign Companies, organizations, firms or persons and set up or promote setting up new ventures in India or abroad with their assistance or participation.
- 4) To undertake market surveys, and market research within this State and in important markets in other States in India and abroad, to collect and compile - statistics to give publicity to the information and to contact prospective buyers in India and abroad.
- 5) To prepare and publish price lists, catalogues, folders, pamphlets, brochures and such other publicity material permissible under the law for the promotion of sales.
- 6) To apply for and take out purchase or otherwise require any trade mark patents, patent rights, inventions, copy- rights or designs which may be useful for the company's objects.
- 7) To obtain any order enabling the company to carry out its objects into effect or for effecting any modification of the company's constitution or for any other purpose by lawful means and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the company's interest.
- 8) To pay all costs, charges and expenses incurred in or about the promotion and establishment of the company or which the company may consider to be in the nature of preliminary including therein the cost of advertising, commission for under-writings, brokerage, printing and expenses attendant upon the formation of branches and agencies.

- 9) To procure capital or financial assistance or accommodation for or to provide machinery, equipment, technical and managerial assistance information, instruction inspections supervision and other facilities to the company for the purpose of any of its objects.
- 10) To take suitable steps to enable the company to carry out any of its objects into effect, or for effecting any modification of the company's constitution or for any other purpose which may seem expedient.
- 11) To procure of register for the company, recognition in any foreign country or places outside the State.
- 12) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities.
- 13) To receive grants, loans advances or other moneys or deposits or other kinds of financial assistance from the Central Government or State Government, banks, firms, companies, trusts or individuals with or without allowance of interest thereon. But the Company shall not do banking business within the meaning of the Banking Companies (Regulation) Act, 1949 (Central XLVI of 194G).
- 14) To open and operate bank accounts, to draw, make, accept, endorse, discount issue and negotiate, assign and otherwise deal with cheques, drafts, promotes bills of lading, railway receipts, warrants and all other Negotiable or transferable instruments.
- 15) To invest and deal with the moneys of the company not immediately required in such manner, other than in the shares of this company as may from time to time be determined by the Board of Directors of the company.
- 16) To acquire by subscription, purchase or otherwise and to accept and take hold and self shares or stocks in any company, society, or to undertake the objects which shall either in whole or part be similar to those of this company or such as may be likely directly or indirectly to promote or advance the interests of this company.
- 17) To establish or aid in the establishment of associations, funds, trusts and charities, and other conveniences intended to benefit employees or ex - employees of the company or their dependents and to grant pension or allowances and generally to subscribe money for any public general or useful objects and subject to the restrictions of section 182 of the Act to

give donation or subscriptions to any religious or charitable or social institutions or to give any charity.

- 18) To register the trade names, brand names, marks and also to permit their uses to such persons firms companies or corporations which adhere to such terms and conditions as laid down by the company, by making such rules and regulations as are necessary from time to time in that regard.
- 19) To acquire, purchase, be interested in, construct, maintain, charter, affright, hire and let out for hire or for chartering and affreightment carry out, improve, work, alter, control and manage any tramways, railways, railway sidings, aerial ropeways, wharves, piers, docks, ships, boats and vessels of all kinds, locomotives, engines wagons and other rolling stocks rods tunnels. water works, water-rights, canals, irrigation works, gas works, electric works reservoir watercourses, furnaces, stamping works, smeting works, factories, warehouses and other works and conveniences which the company may think conducive to any of its objects and to contribute to and take part in the constructing maintaining, carrying on improving, working, controlling and managing of any such works or conveniences.
- 20) To acquire by purchase amalgamation, grant, concession, lease, licence, barter or otherwise either absolutely or conditionally and either solely or jointly with others any houses, lands farms, quarries, mining or other claims, rights and works, privileges, rights, water work, way loaves, and other works, privileges, rights and here ditaments and any tract or tracts of country in India or elsewhere together with such rights as may be agreed upon and granted by Government or the rulers or the owners there of and to expend such sums of money as may be deemed requisite and advisable in the exploration, survey and development thereof and to obtain rights over, be interested in, building, altering, constructing, maintaining and regulating any roads tramways, railways, railway sidings, aerial ropeways, canals water ways rivers, wharves, docks, harbor works and harbours either by acquiring such properties outright or .by acquiring by the rights of others into and over them And generally to acquire in India or elsewhere by purchase, lease or otherwise for the purpose of the company any real or personal immovable and movable property, rights or privileges, including any land, buildings rights of ways, leaseholds, licenses, concessions and privileges, patents, patent rights, trade mark machinery, rolling stocks, plant, utensils, accessories and stock-in-trade.
- 21) To acquire by concession, grant, purchase, barter, lease, licence or otherwise either absolutely or conditionally and either alone or jointly with others any lands, buildings machinery, plants, utensils, works, conveniences and other movable and immovable property of any description and any patents, trademarks, concessions, privileges and other rights for the objects

and business of the company and to construct, maintain, and alter any buildings or works necessary or convenient for the purpose of the company and to pay for such lands, buildings, works property or rights of any other property and fights purchased or acquired by or for the company, or by 'cash or otherwise and to manage, develop, sell, let on lease or for hire or otherwise dispose of or turn to account the same at such time or times and in such manner and for such consideration as may be deemed proper or expedient.

- 22) To buy, sell, manufacture, refine, manipulate, import, export and deal both wholesale and retail in commodities substances, apparatus, articles, and things of all kinds capable of being used or which can be conveniently dealt in by the company in connection with any of its objects.
- 23) To establish and maintain agencies at any plate or places in India or other part of the world for the conduct of the business of the company or for the purchase and sale of any merchandise commodities, goods, wares, materials, produce products, articles and things, required for or dealt in, or manufactured by or at the disposal of the company and to transact all kinds of agency business.
- 24) To apply, for purchase or otherwise acquire and protect, prolong and renew, whether in India or elsewhere any patents, patent rights, brevels, invention, licenses, protections, concessions and the like conferring any exclusive or limited right to any inventions, secrets, or other information which may seem capably of being used far any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use exercise, develop, manufacture under or grant licences or privileges in respect of or otherwise turn to account, any patents, property rights, inventions, secrets, or information so acquired and to spend moneys in experimenting upon, testing, improving or seeking to improve the patents, property, rights inventions, secrets, or information so acquired or proposed to be acquired.
- 25) To purchase or otherwise acquire and undertake the whole or any part of the business property, rights, assets and liabilities of any company or person carrying on any business which the company is authorised to carry on or possessed of property or rights suitable for any of the purposes of this company.
- 26) To purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the company may think necessary or convenient for the purpose of its business or may enhance the value of any other property of the company.



- 27) To construct buildings, erect, maintain and carry on either by the company or other parties, any works or undertakings of any description whatsoever, either upon lands acquired by the company or upon other lands.
- 28) To acquire and undertake the whole or any part of the business, property and or liabilities of any persons or company carrying on or proposing to carry on any business which the company is authorised to carry, on or possessed of property suitable for the purpose of the company, or business which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the company.
- 29) To amalgamate, enter into partnership or into any arrangement for sharing profits union of interests, co-operation, joint adventure, joint marketing or reciprocal concession or for limiting competition with any person or company carrying on engaged in or about to carry on or engaged in any business or transaction which the company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the company.
- 30) To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the company.
- 31) To subscribe for, take or otherwise, acquire and hold shares, stock debentures or other securities of any other company, co-operative society or society registered under the Societies Registration Act.
- 32) To lend and advance money or give credit to such persons or companies and on such terms as may seem to be expedient, and in particular to customers and others having dealings with the company, and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.
- 33) To enter into any arrangements with any Government or authorities, municipal local or otherwise that may seem to be conducive to the objects of the company or any of them and to obtain from any such governments, authority, person or company any rights, privileges, charters, contracts, licences and concessions which the company may think is desirable to obtain and to carry out, exercise and comply therewith.
- 34) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident and or pension or superannuation funds for the benefit of and give or procure the giving of

donations, gratuities, pensions, allowances, or emoluments to any persons who are or were at anytime in the employment or service of the company, or of any company which is a subsidiary of the company or its allied to or associated with the company or with any such subsidiary company or who are or were *at any time* Directors or officers of the company, or of any such other company as aforesaid and the wives, widows, families and dependents of any such persons , and also establish and subscribe to any institutions, associations, clubs or funds calculated by the company to be for the benefit of or to advance the interest and well being of the employees, of the company or on any such other company as aforesaid, and make payments to or towards the insurance of any such persons as aforesaid, and to any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.

- 35) To provide for the welfare of employees or ex-employees of the company and their wives and families and the wives and Families of their dependents or connections by building or contributing to the building of houses or dwellings or by grants-in-aid pensions, allowances, bonus or otherwise? payments, and by providing or subscribing or contributing towards buildings and maintenance of places of instruction or recreation, hospitals, and dispensaries, medical and other assistance, as the company may think fit. and to subscribe or otherwise to assist, or to grant money to charitable, benevolent religious, scientific, national, public or other institutions objects or purposes. Provided such institutions proposed to be helped with money are not pure political party organizations.
- 36) To procure and arrange for registration, or recognition of the company in or under the laws in any part of the world outside India to establish and appoint branches or agencies of the company at any place in India or elsewhere and to discontinue the same and to do all acts necessary for carrying on in any colony dominion or foreign country any business of the company to petition either singly or jointly with other legislatures, authorities, local, municipal and other bodies. British colonial or foreign for the purpose of getting enacted acts, or obtaining decrees, interests, orders, rights and privileges that are conducive to the interests of the company or to protest against petitions and transactions as are likely to be prejudicial to the interests of the company and to take such steps as may be necessary to give the company the rights and privileges in any part of the world as are possessed by local companies or partnership of a similar nature.
- 37) a. To sell, lease mortgage, or otherwise dispose of the property, assets undertaking of company or any part thereof for such consideration as the company may think fit.

- b. To transfer if the company thinks fit without consideration any property, assets or undertaking of the company or any part thereof to any company the share capital of which has been entirely subscribed by the State Government.
- 38) To store, maintain, sell, buy, repair, alter, exchange let on hire, export import and deal in all kinds of articles and things [including all kinds of conveyance and all component parts, fittings, tools, implements, accessories, materials and all articles and things used or capable of being used in connection therewith in any way whatsoever which may be required for the purposes of any business of the company or are commonly supplied or dealt in by persons engaged in any such business and which may be capable of being profitably dealt with in connection with any of the business of the company.
- 39) To buy, sell and deal in goods, ware and merchandise including all conveniences of necessities of life which may be used or required by workmen or other whether employed by the company or not and to open and keep shops or stores.
- IV) The liability of the members is limited.
- v) The authorised share capital of this Company is Rs. **10,00,000/-** Rupees (Ten Lakhs) divided into **1000** (One Thousand) equity shares of Rs. **1000/-** each.

VI. We the several persons, whose names and addresses hereunder are subscribers, are desirous of formed into a company in pursuance of this memorandum of association and we, respectively agree to take the number shares in the capital of the company set opposite to our respective names.

| S.No | Name, Address, father/husband name and occupation of subscribers with their Signature | Number of Equity Shares taken by each subscriber | Name, address, description and occupation of witness |
|------|---|--|--|
|      |   |  |  |
|      |   |  |  |

Date:  
Place:

S.P.SINGH  
PRINCIPAL SECRETARY TO GOVERNMENT

//TRUE COPY//

SECTION OFFICER

**UNDER THE COMPANIES ACT, 2013**

**(18 of 2013)**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**TELANGANA STATE BEVERAGES CORPORATION  
LIMITED**

1. The regulations contained in Table F of the First Schedule to the Companies Act, 2013 (hereinafter referred to the Act) in so far as they are applicable to a Government public Limited company shall apply to this company, save in so far as they are expressly or by implication excluded by the following Articles or by the Central government:

**INTERPRETATION**

2. In these Articles, unless there is something in the subject or context inconsistent, therewith.
  - a) "The Company" means **TELANGANA STATE BEVERAGES CORPORATION LIMITED**;
  - b) "Financial Year" means in relation to the Company the period in respect of which any profit and loss account of the company laid before it in annual general meeting is made up, whether that period is a year or not;
  - c) "Government" means the Government of Telangana;
  - d) "Year" means the calendar year.
3. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

**PUBLIC COMPANY**

4. The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly.

"public company" means a company which—

- (a) is not a private company;
- (b) has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles ;

**SHARE CAPITAL**

5. The authorised share capital of this Company is Rs. **10,00,000/-** Rupees (Ten Lakhs) divided into **1000** (One Thousand) equity shares of Rs. **1000/-** each.

**TRANSFER AND TRANSMISSION OF SHARES**

7. The right of members to transfer their shares shall be restricted as follows;

- a) A share may be transferred by a member or other person entitled to transfer only to a person or persons approved by or on behalf of the Government and to no other person.
  - b) Subject to the provisions of Section 58 of the Act and subject as aforesaid, the directors may decline to register any proposed transfer of shares.
8. So far as it concerns any share held by any person as a nominee of the Government, on the Government requiring him to transfer any such shares to the Government or to any other person or persons nominated by the Government or any such person becoming of unsound mind or being adjudicated as insolvent, or dying or on such person, being a company, being wound up voluntarily or by the court or subject to the supervision of the court, the following provisions shall take effect, namely:-
- a) The Government may at any time serve the company with a requisition to enforce the transfer of any such share.
  - b) The company shall thereupon forthwith give to the holder of such shares, or where the holder has become of unsound mind, to his committee or other guardian, or where the holder has become or been adjudicated an insolvent, to the assignee of his estate, and effects, or where the holder is dead, to his heirs or legal representatives, or where the holder, being a company, has been wound up as aforesaid to its liquidator notice in writing of the requisition and unless within 14 days afterwards, the holder, or in the case may be, the committee or guardian or assignee or heirs or legal representatives or liquidator of such holder, shall execute in favour of the Government or of any person or persons nominated by the Government a proper transfer in respect of such shares and hand over the same along with the relative certificate in respect of such share to the Government or any other person or persons nominated by them in that behalf. In case the company's notice as aforesaid is not complied with by any such holder or other person, the directors may at any time thereafter execute a transfer in respect of such share for and on behalf of such holder or his estate and the same shall be deemed to have been duly and properly executed for and on behalf of such holder or of his estate and thereupon the holder or his estate shall cease to have any interest whatsoever in such share and the certificate of such share, if not handed over as aforesaid, shall thereupon stand cancelled and be and become void and of no effect, and the company shall be entitled thereafter to issue a new certificate in lieu thereof in favour of the Government or of such person or persons as they may nominate.
9. No fee shall be charged in respect of Transfer or Transmission of shares.

### **GENERAL MEETING**

- 10. i). The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. The First Annual General Meeting of the Company shall be held within eighteen months from the date of incorporation of the company and the Annual General Meetings shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. At every Annual General Meeting of the company, there shall be laid on the table the Director's Report and Audited statement of Accounts and the Auditor's Report along with the comments of the Comptroller and Auditor General of India in terms of Section 394 of the Act.
- ii) Nothing contained in Article 9 (i) above shall be taken as affecting the right conferred upon the Central Government under the provisions of the Act to extend the time within which any Annual General Meeting may be held.
- iii) If the company is not in a position to hold the Annual General Meeting and/or lay on the table the Audited statement of Accounts as required in sub-clause (i) above, for any reason whatsoever, shall report the fact well in advance to the Government together with the reasons there for before the company approaches the Central Government for extension of time to hold the Annual General Meeting. The audited statement of accounts shall, however, be placed on the table at the Annual General Meeting held within the period of extension thereof, if any, allowed by the Central Government.

### **BOARD OF DIRECTORS**

11. The number of Directors, including the Managing Director and the whole time Directors shall be not less than 2 and not more than 15.
12. Until the Directors are formally appointed by the Government in accordance with Article 12 hereinafter contained, the following persons shall be the first Directors of the company,
  1. **Sri. SEKHAR PRASAD SINGH**
  2. **Sri. PENUMAKA VENKATA RAMESH**
  3. **Sri AHMED NADEEM.**
13. a) The Directors shall be appointed by the Government subject to such terms as the Government deem fit. The Government shall have power, from time to time to remove all or any of the Directors from the Office, including the Chairman, Vice Chairman, Managing Director, Executive Director (or other Director by whatever designation appointed) without assigning any reasons whatsoever and in the event of such removal or in the event of any vacancy in the office of the directors caused by resignation, death or otherwise the Government shall be entitled to appoint another in such a vacancy.
  - b) Out of the Directors to be appointed by the Government (excluding the Managing Director and the whole time Directors) at least one-third (any fraction contained in that one-third being rounded off as one) of the Directors of the Company shall be from the Government representing the controlling Department in the Government, Finance Department and such other department, which may have interest in or whose association may be beneficial For the company
  - c) Another one-third (any fraction contained in that one-third being rounded off as one) of the Directors shall be professionals, and experts in the fields like Finance, Management, Production, Inventory Control, Engineering, Industrial Relations, etc., depending upon the nature of the undertakings. For removal of doubts it is hereby clarified that Government officials may also be appointed as Directors under this category, provided they possess necessary experience and expertise in the representative fields.
14. The Government may from time to time appoint one of the Directors to the Office of Chairman, Deputy/Vice-Chairman or whole time Director (by whatever designation) and determine the terms and conditions of their appointment to the said office.
15. The Government may from time to time appoint one of the Directors to the office of the Managing Director for such term and at such remuneration (by way of salary or commission or otherwise or partly in one way or partly in another) as the Government thinks fit and may from time to time remove or dismiss him from office and appoint another in his place. Any such Director appointed to any such office shall if he ceases to hold the office of Director for any cause IPSO FACTO and immediately cease to be a Managing Director.
16. A Director shall not be required to hold any qualification shares.
17. The business of the company shall be managed by the Board who may pay all expenses preliminary and incidental to the promotion, formation, establishment and registration of the company and the Board may exercise all such powers or the company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the company required to be exercised by the company In general meeting, subject nevertheless to these articles, to the provisions of the Act, or any other Act and to such regulations being not "inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting but no regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made,
18. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to restrict or limit these powers, and subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the company.

19. The payment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board thinks fit and in particular by the issue of bonds perpetual or redeemable debentures or debenture stock of the company or any mortgage or charge or other security upon all or any part of the property of the company (both present and future), including its uncalled capital for the time being.
20. Subject to the provisions of Section 179 of the Act, the Directors may from time to time and at any time delegate to the Managing Director or to any other Director or Directors (by whatever designation) any of the powers, authorities or discretion for the time being vested in the Directors and any such delegation may be made on such terms and subject to such conditions including power to sub-delegate, as the Directors may think fit and may at any time annul or vary or any such delegation.

### **PROCEEDINGS OF BOARD OF DIRECTORS**

21. The Directors may meet together as a Board for the dispatch of business from time to time and shall not meet at least once in every 3 months and at least 4 such meetings shall be held in every year.
22. If no chairman is appointed by the Government, or if at any meeting of the board the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their members to be Chairman of the meeting.
23. At each of the board meetings the Managing Director shall, inter alia, place on the table a review on the results of operations of the company during the period from the date of last meeting till that meeting and report the deviations between the actual and the targets.
24. The board shall prepare and obtain the prior consent of the Government for its long term and short term plans. The board shall also prepare budgets well in advance of the commencement of each financial year and obtain the prior consent of the Government for the capital and revenue budgets.
25. The Chairman shall reserve for the decision of the Government any proposals or decisions of the board of directors or any matter brought before the board which raises, in opinion of the Chairman, an important issue and which is on that account fit to be reserved for the decision of the Government and no decision on such an important issue shall be taken till the Government gives its opinion on the issue.
26. The company may, by special resolution reduce in any manner and with and subject to, any incident authorized and consent required by law, -
- (a) its share capital;
  - (b) any capital redemption reserve account;
  - (c) any share premium account.

### **ACCOUNTS & AUDIT**

27. Every balance sheet laid before the company in annual general meeting shall be accompanied by a Report of the Board of Directors as required under the provisions of Section 134 of the Act and shall in addition deal with the performance during the period under review, the objectives of the company and the extent to which the company has achieved the objectives. It should also contain a report of the social costs incurred by it during the relevant financial year.
28. The board shall, within 30 days from the date on which the annual accounts of the company are adopted at an annual general meeting, submit to the Government a report on the working and affairs of the company so as to enable the Government to comply with the provisions of Section 394 of the Act, and where an annual general meeting was not held in any year, for any reasons whatsoever, the Board shall within 30 days from the date on which the annual general meeting should have been held in



accordance with the Act, submit an interim report on the working and affairs of the company.

29. 1. State Government shall cause an annual report on the working and affairs of the company to be—

(a) prepared within the time specified in sub-section (1) of section 394; and

(b) as soon as may be after such preparation, laid before the House or both Houses of the State Legislature together with a copy of the audit report and comments upon or supplement to the audit report referred to in sub-section (1) of that section.

(2) The provisions of this section and section 394 shall, so far as may be, apply to a Government company in liquidation as they apply to any other Government company.

30. Subject to the provisions of Section 139(5) of the Companies Act, 2013 the Comptroller and Auditor-General of India shall, in respect of a financial year, appoint an auditor duly qualified to be appointed as an auditor of companies under this Act, within a period of one hundred and eighty days from the commencement of the financial year, who shall hold office till the conclusion of the annual general meeting.

The Provisions of Section 139, 140 and 143 of the Act shall apply to the Company so far as they are applicable to Government Company.

31. Notwithstanding any thing contained in any of these articles the Government may, from time to time, issue such directives or instructions as may be considered necessary in regard to the finance, conduct of business and affairs of the company. The company shall give immediate effect to the directives or instructions so issued.

In particular the Government will have the powers:

(i) To call for such returns, accounts and other information with respect to the property and activities of the company as may be required from time to time;

(ii) To authorize the amount of capital to be raised and the terms and conditions on which it may be raised;

(iii) To approve the Company's long term and short term plans;

(iv) To approve the Company's capital and revenue budgets;

(v) To approve agreements involving foreign collaboration proposed to be entered into by the company; and

(vi) To approve purchases and contracts of a major nature involving substantial capital outlay which are in excess of limits prescribed by the Government.

(vii) To cause such verification, enquiry or investigation as may be necessary, in to the functioning of the corporation, through one of the Directors or Officers of the Corporation or through any other Officer the Government or anybody else to be authorized by the Government.

32. a) The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books and documents of the company or any of them shall be open to the inspection of members, not being directors.

b) No member (not being a Director) shall have any right of inspecting any account book or document of the company except as conferred by law or authorised by the directors or by a resolution of the company in general meeting, provided that the officers and other authorised nominees of the Government shall have a right to inspect the business premises. Records, Documents. Registers, Books of Account and other relevant statutory books and obtain copies and extracts there from free of cost during the normal working hours of the company, whether *such* officers and authorised nominees are directors or members of the company or not.

| Sl.No. | Name, Address, father/husband name and occupation of subscribers with their Signature | Name, address, description and occupation of witness |
|--------|---|--|
|        |   |  |

Date :  
Place :

S.P.SINGH  
PRINCIPAL SECRETARY TO GOVERNMENT

//TRUE COPY//

SECTION OFFICER